

FISCAL IMPACT STATEMENT ON BILL NO. **S. 452**

(Doc. No. 001surf.kmm.pgc.docx)

TO:	The Honorable Daniel B. "Danny" Verdin, III, Chairman, Senate Agriculture and Natural Resources Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	R.J. Stein, K. Earle Powell		
DATE:	March 26, 2009	SBD:	2009320
AUTHOR:	Senator Campbell	PRIMARY CODE CITE:	49-4-10
SUBJECT:	Water Withdrawal, Permitting, Use and Reporting Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost to Federal and/or Other Funds (see below)

BILL SUMMARY:

Senate Bill 452 amends Chapter 4, Title 49 of the Code of Laws of South Carolina, 1976, relating to the permitting, registration and use of surface waters. The Bill requires certain user classes to register or obtain a permit from the Department of Health & Environmental Control before withdrawing any surface waters. The Bill provides guidelines and specifies certain exemptions and restrictions on such water use. The Bill outlines the application process, provides for one-time application fees and penalties for violations and provides for hearings and new application procedures for inter-basin transfers of water. The Bill requires DHEC to report to the General Assembly concerning negotiations.

EXPLANATION OF IMPACT:

Department of Health & Environmental Control (DHEC)

The Department reports that 2.00 FTE positions (1.00 Hydrologist and 1.00 Engineer) are needed to implement the provisions of this Bill. The cost is estimated at \$187,487 annually, including \$121,432 for salaries and fringes and \$66,055 for general operating expenses, hydrologic monitoring supplies, public notices, public hearings, etc. needed to analyze the data provided by the Department of Natural Resources and for administering the permit program.

Since the Bill allows DHEC to collect and retain one-time application processing fees, DHEC's cost estimate could be reduced to whatever extent fees are collected. However, the number of potential applicants is not known and the fees are non-recurring.

Department of Natural Resources (DNR)

The Department provides DHEC with the technical support for monitoring stream flows, interpreting the data and ensuring its accuracy necessary for quantifying the availability of water resources in this state. Additional General Fund dollars would be needed to collect and analyze the additional stream flow data. The Department estimates annual costs at \$108,223 for 1.00 Hydrologist (including \$55,478 for salary and fringes and \$52,745 for stream flow gauge maintenance charged by the U.S. Geological Service (USGS)). An additional \$66,500 in non-recurring funds would be needed in the first year for the cost of installing 7 stream gauges.

LOCAL GOVERNMENT IMPACT:

The FIST network of local governments was surveyed to determine the impact of this Bill and one county responded. The county indicated that to comply with the provisions of this Bill, they would need one additional position with costs estimated at \$25,000.

Summary:

Recurring costs are estimated at \$295,710 for 3.00 new FTE positions and operating expenses. First year costs are estimated at \$362,210 which includes \$66,500 for the installation of 7 additional stream flow gauges. These figures exclude any costs to counties that might have to hire additional staff.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:

A handwritten signature in black ink that reads "Harry Bell". The signature is written in a cursive style with a large, looped "H" and "B".

Harry Bell
Assistant Director, Office of State Budget